

A U S T I N C I T Y C O U N C I L

# AGENDA

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------

Thursday, August 10, 2006

Back Print

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION**

**ITEM No. 45**

**Subject:** Authorize award, negotiation, and execution of a 11-year contract with PINNACLE CNG SYSTEMS, LLC, Midland, TX, for the design, installation, operation, and maintenance of a compressed natural gas (CNG) fueling facility in an estimated amount not to exceed \$2,691,952, with one 5-year extension option in an estimated amount not to exceed \$1,217,158, for a total estimated contract amount not to exceed \$3,909,110.

**Amount and Source of Funding:** Funding in the amount of \$1,164,621 is available from certificates of obligation and a grant from the State Energy Conservation Office (SECO) in the Fiscal Year 2005-2006 Amended Capital Budget of the Financial and Administrative Services Department, Fleet Services Division. Funding in the amount of \$1,527,331 for the ongoing annual maintenance and operation of the compressed natural gas site is contingent upon available funding in future budgets.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**Additional Backup Material**

(click to open)

**PINNACLE CONTRACT  
FISCAL NOTE**

**For More Information:** Sydney Ceder, Buyer II/974-2035

**Purchasing Language:** Best evaluated proposal of two proposals received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation. (Related to item #8 and item #9)

This contract will provide the Fleet Services Department of the City of Austin with an unattended compressed natural gas (CNG) fueling facility, and will include a 10-year operations and maintenance agreement, with a 5-year extension option. The estimated time for installation is 12 months. The City is purchasing 6 CNG-Fueled Refuse Trucks with proceeds from a TNRCC grant that pays for the incremental cost increase of CNG fueled vehicles. Additionally, in future years the City intends to purchase more CNG fueled heavy-duty trucks and will continue to apply for state grant money for this purpose. The CNG facility will be equipped to fill 15 vehicles the first year, with planned increases to add six CNG-fueled vehicles each year through year 10. The facility is expandable to accommodate up to 35 vehicles.

CNG is compressed natural gas that is a clean burning fuel that originates within the United States and will reduce our reliance on foreign oil. The station will be located at 4308 Todd Lane and will be equipped with 15 dual hose pumps that will be capable of over night slow filling of Solid Waste Services and Austin Water Utility heavy-duty trucks. Additionally, the station will be equipped with one dual fast-filling hose pump to be used for public access between the hours of 6:00 a.m. and 6:00 p.m. daily. The fueling facility will be fully operational 24 hours a day, seven days a week. In addition to designing, installing, operating and maintaining the fueling facility, the contractor will be responsible for a public marketing campaign for the public access pumps.

The purchase price of the equipment and installation is \$1,164,621, and the 10-year maintenance and operation cost is \$1,527,281. The City of Austin has been advised that it is eligible for a grant from the State Energy Conservation Office (SECO) in the amount of \$150,000 to be applied to the purchase of this fueling facility.

An RFP was issued on February 19, 2006 for an experienced firm to provide services for the design, installation, operations and maintenance services for a compressed natural gas (CNG) fueling facility. Two proposals were received. A panel consisting of six professional and fuel usage experts from the Fleet Services Division, the Austin Water Utility, Solid Waste Service and Financial and Administrative Services Department evaluated the proposals. The panel members recommended Pinnacle CNG Systems, LLC as the best Proposer based upon the categories of 1) Experience of the firm and individual(s) – Installation, 2) Experience of the firm and individual(s) – Operations & Maintenance, 3) Scope & Quality of the Design, 4) Project Schedule, and 5) Total Evaluated Cost.

Pinnacle CNG Systems, LLC has been providing turnkey CNG fueling services for over 12 years working with heavy truck municipal and commercial fleets. Examples of some past projects include the City of San Jose International Airport, City of Visalia Sanitation Department in Visalia, CA and Yolo Transportation District in Woodland, CA.

MBE/WBE Solicited: 0/2 MBE/WBE Bid: 0/0

PROPOSAL ANALYSIS a. Adequate competition. b. Three notices were sent, including two WBEs. There are no known MBEs for this commodity code. Eight solicitations were issued. Two proposals were received, with no response from the WBEs. One "No Bid" was received.

APPROVAL JUSTIFICATION a. Best evaluated proposal. b. The Purchasing Office concurs with Fleet Services' recommended award. c. Advertised in the Austin American-Statesman and on the Internet.

## CIP FISCAL NOTE

**DATE OF COUNCIL CONSIDERATION:**  
**WHERE ON AGENDA:**  
**DEPARTMENT:**

8/10/2006  
Resolution  
Fleet

**DESCRIPTION:** Authorize award, negotiation, and execution of a 11-year contract with PINNACLE CNG SYSTEMS, LLC, Midland, TX, for the design, installation, operation, and maintenance of a compressed natural gas (CNG) fueling facility in an estimated amount not to exceed \$2,691,952, with one 5-year extension option in an estimated amount not to exceed \$1,217,158, for a total estimated contract amount not to exceed \$3,909,110.

### FINANCIAL INFORMATION

#### Fleet

<b>Project Name:</b>	Compressed Natural Gas Fuel Facility
<b>Project Authorization:</b>	2005-2006 Amended Capital Budget
<b>Funding Source:</b>	Contractual Obligations SECO Grant
<b>Fund/Agency/Orgn:</b>	8870-787-New

Current Appropriation	\$1,470,000.00
Unencumbered Balance	\$1,470,000.00
Amount of this Action	<u>(\$1,164,621.00)</u>
Remaining Balance	<u><u>\$305,379.00</u></u>

Fleet Services: Michael Hendon, Fin. Mgr.

Date: 5/27/2005